

LOGISTICS MARKET MUNICH

AT A GLANCE
Q3 2023

221,000 m²
TAKE-UP

+16 %
Q3 2023 vs. Q3 2022

+8 %
IN COMPARISON TO
10-YEAR AVERAGE

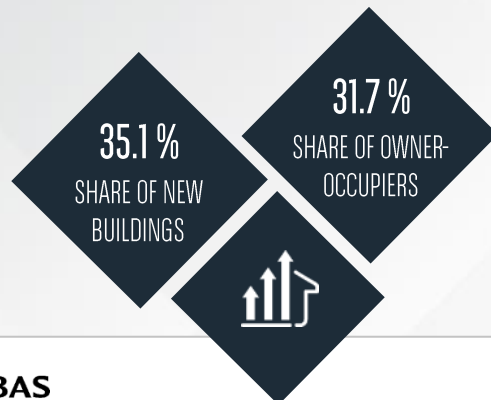
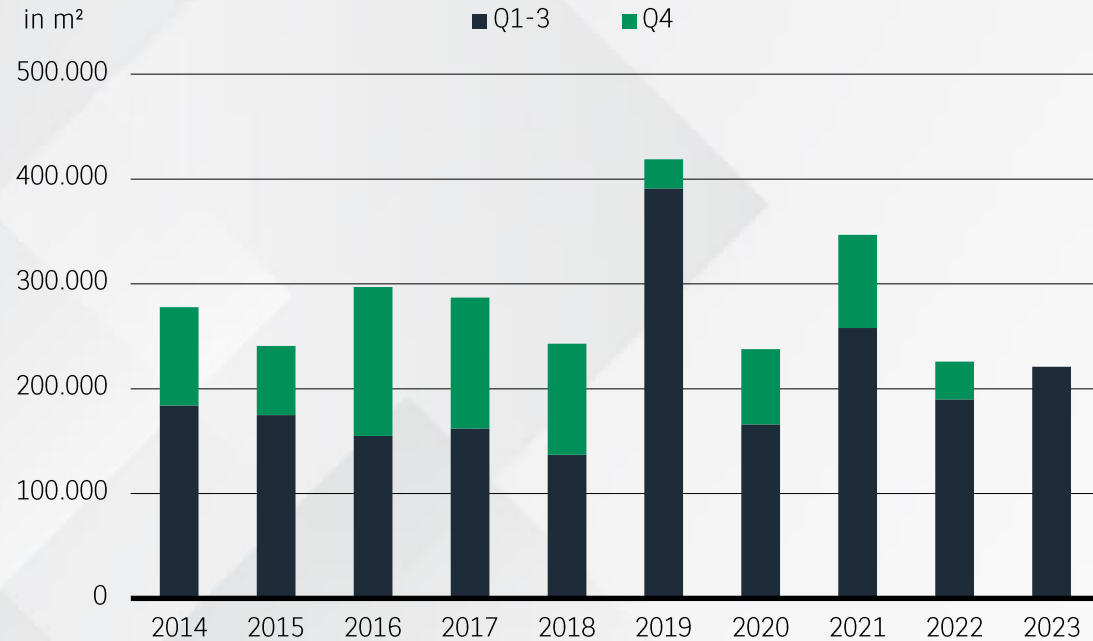


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HIGH TAKE-UP DUE TO LARGE DEALS

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN MUNICH

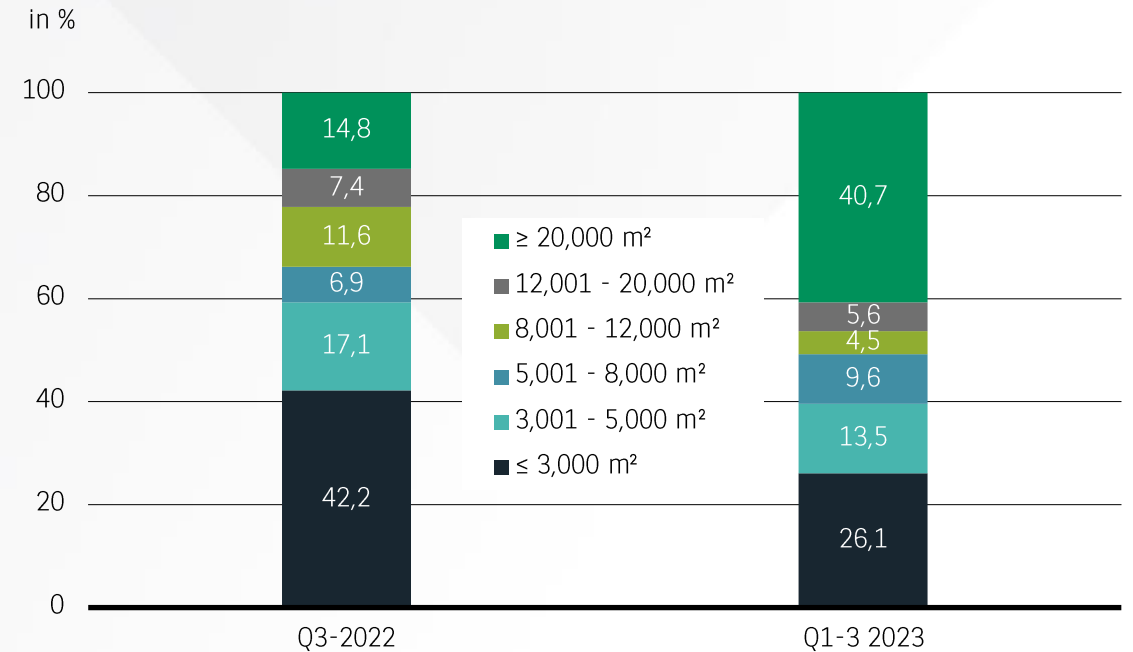


- With a take-up of 221,000 m² at the end of the third quarter, the Munich warehouse and logistics market achieved a result that is not only 16 % above the previous year's result, but also 8 % above the ten-year average. In a nationwide comparison, Munich is thus one of the few top markets to achieve above-average take-up.
- In addition to brisk market activity overall, two large-scale contracts in particular made a significant contribution to this result. These include the ca. 60,000 m² new building of a logistics firm in Oberding (owner-occupier) and the 30,000 m² expansion of Siemens Mobility at its corporate location in Munich-Allach.
- Due to the low availability of space and the increased construction costs, the already high rents have risen noticeably over the course of the year. The top rent is now quoted at 10.50 €/m², the average rent at 8.50 €/m².

LOGISTICS FIRMS AND INDUSTRIAL COMPANIES STRONG

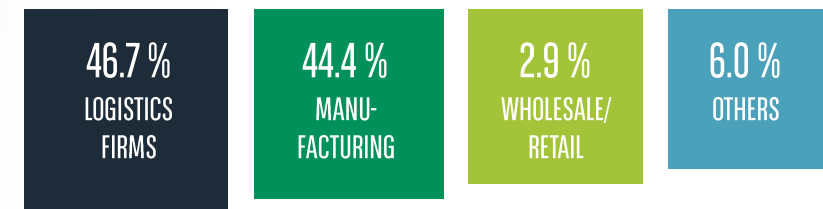
- The particularly strong competition between the different types of use and the resulting very low supply of land and existing space for warehousing and logistics means that large-scale deals can be realised less frequently on the Munich market than in other major logistics hubs. However, due to the two deals mentioned above, the share of contracts of 20,000 m² or more is currently 41 % and thus far above the ten-year average of 17 %.
- The high proportion of small contracts up to 3,000 m², which account for a good quarter of take-up, is also remarkable. The low shares of the medium size categories, on the other hand, are mainly due to the lack of supply.
- The sector distribution is led by logistics firms (almost 47 %) due to the major contract. However, the otherwise usually leading manufacturing companies also achieve an above-average result with 44 %. Wholesale/retail companies, on the other hand, are very cautious and have so far only accounted for around 3 % of take-up.

TAKE-UP BY SIZE CATEGORY



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TAKE-UP BY SECTOR



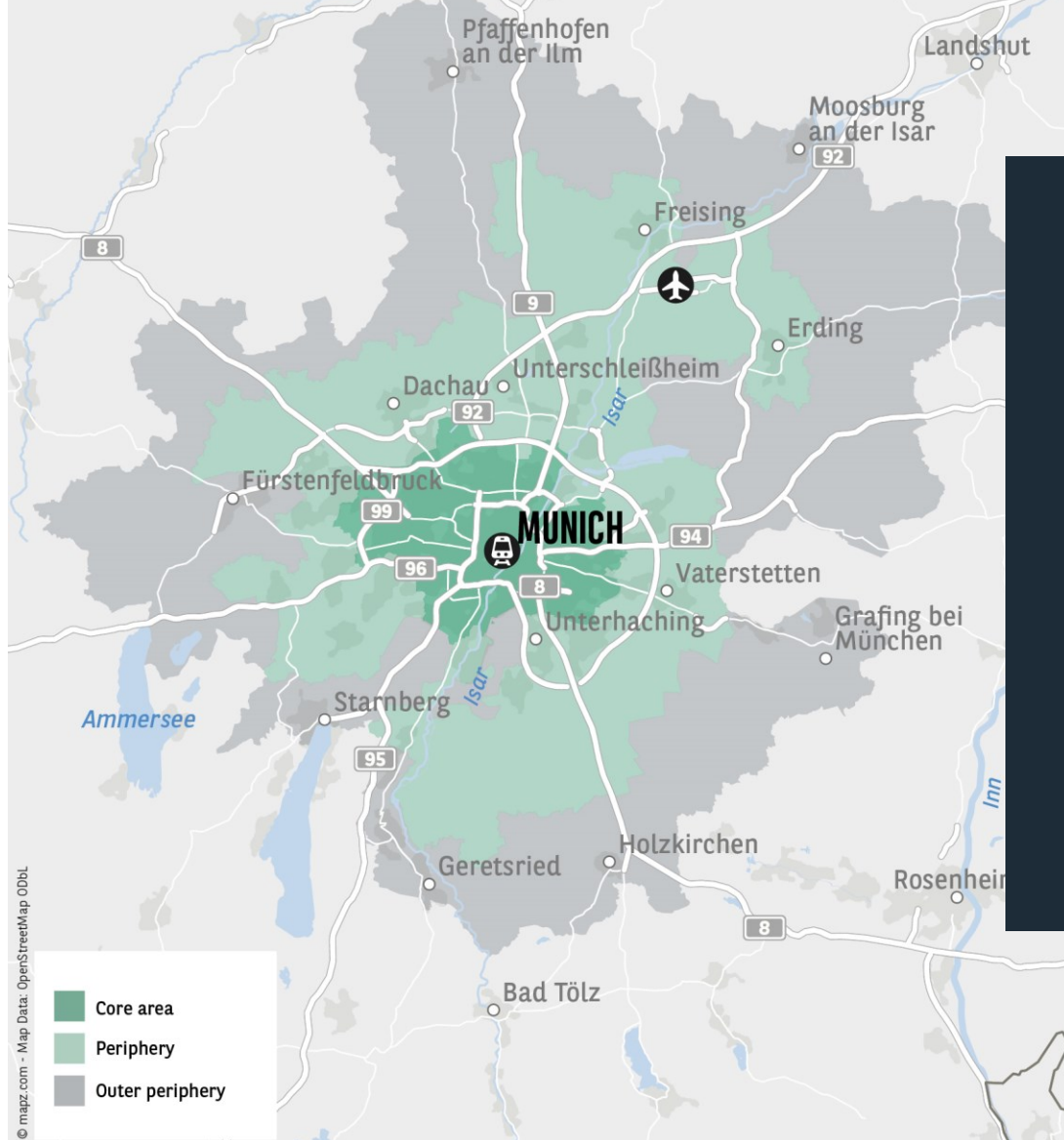
KEY FIGURES

Rents	Q1-3 2022	Q1-3 2023	%-Difference
Prime rent (in €/m ²)	8.00	10.50	31.3%
Average rent (in €/m ²)	6.50	8.50	30.8%
Take-up and sectors	Q1-3 2022	Q1-3 2023	Long-term average
Total take-up	190,000 m ²	221,000 m ²	204,000 m ²
Logistics firms	13.9%	46.7%	30.8%
Wholesale/retail	7.7%	2.9%	18.9%
Manufacturing	60.5%	44.4%	39.3%
Others	17.9%	6.0%	11.0%
Size categories	Q1-3 2022	Q1-3 2023	Long-term average
Share of deals > 20,000 m ²	14.8%	40.7%	15.9%
Share of deals ≤ 20,000 m ²	85.2%	59.3%	84.1%
Owner-occupiers/new building share	Q1-3 2022	Q1-3 2023	Long-term average
Share of owner-occupiers	7.4%	31.7%	11.9%
Share of new buildings	17.4%	35.1%	30.2%

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- The high take-up in the current year was largely made possible by the two large-scale contracts. The weakening economy is noticeable on the demand side through somewhat more restrained leasing processes and lower demand from retail companies, but the lack of available space remains the limiting factor.
- Particularly in the medium and large-area segments, the existing space cannot meet demand. Furthermore, since too few plots are available for development and hardly any (speculative) new constructions are being developed within the market area, no significant expansion of supply is to be expected for the time being.
- This increasingly leads to occupiers renewing their leases - even if the initial aim was to move and they have to accept a higher rent. There is also continued upward pressure on rents against the backdrop of high construction costs and the costs of increasing energy efficiency.

LOGISTICS MARKET REGION MUNICH



MAJOR CONTRACTS

60,000 m²
Logistics firm
Oberding

30,000 m²
Siemens Mobility
Munich

10,000 m²
Yaskawa
Allershausen

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